



DEPARTMENT OF COMMERCE

International Trade Administration

[A-552-828]

Passenger Vehicle and Light Truck Tires from the Socialist Republic of Vietnam: Final Determination of Sales at Less Than Fair Value

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce (Commerce) determines that imports of passenger vehicle and light truck tires (passenger tires) from the Socialist Republic of Vietnam (Vietnam) are being, or are likely to be, sold in the United States at less than fair value (LTFV). The period of investigation is October 1, 2019, through March 31, 2020.

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Jasun Moy or Robert Scully, AD/CVD Operations, Office V, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482-8194 or (202) 482-0572, respectively.

SUPPLEMENTARY INFORMATION:

Background

On January 6, 2021, Commerce published in the *Federal Register* the preliminary affirmative determination in the LTFV investigation of passenger tires from Vietnam, in which we also postponed the final determination until May 21, 2021.¹ We invited interested parties to comment on the *Preliminary Determination*. A summary of the events that occurred since

¹ See *Passenger Vehicle and Light Truck Tires from the Socialist Republic of Vietnam: Preliminary Affirmative Determination of Sales at Less Than Fair Value, Postponement of Final Determination, and Extension of Provisional Measures*, 86 FR 504 (January 6, 2021) (*Preliminary Determination*), and accompanying Preliminary Decision Memorandum (PDM).

Commerce published the *Preliminary Determination* may be found in the Issues and Decision Memorandum.²

Scope of the Investigation

The products covered by this investigation are passenger tires from Vietnam. For a complete description of the scope of this investigation, *see* Appendix I.

Scope Comments

During the course of this investigation, Commerce received scope comments from interested parties. Commerce issued a Preliminary Scope Decision Memorandum to address these comments.³ We received comments from interested parties on the Preliminary Scope Decision Memorandum, which we addressed in the Final Scope Decision Memorandum.⁴ With the exception of one revision to correct a typographical error, Commerce is not modifying the scope language as it appeared in the correction to the *Preliminary Determination*.⁵ *See* Appendix I for the final scope of the investigation.

² *See* Memorandum, “Issues and Decision Memorandum for the Final Affirmative Determination in the Less-Than-Fair-Value Investigation of Passenger Vehicle and Light Truck Tires from the Socialist Republic of Vietnam,” dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

³ *See* Memorandum, “Passenger Vehicle and Light Truck Tires from the Republic of Korea, Taiwan, Thailand, and the Socialist Republic of Vietnam: Preliminary Scope Comments Decision Memorandum.” dated December 29, 2020 (Preliminary Scope Decision Memorandum).

⁴ *See* Memorandum, “Passenger Vehicle and Light Truck Tires from the Republic of Korea, Taiwan, Thailand, and the Socialist Republic of Vietnam: Scope Comments Final Decision Memorandum.” dated concurrently with this notice (Final Scope Decision Memorandum).

⁵ *See Passenger Vehicle and Light Truck Tires from the Republic of Korea, Taiwan, Thailand, and the Socialist Republic of Vietnam: Notice of Correction to Preliminary Determinations in Less-Than-Fair-Value Investigations*, 86 FR 7252 (January 27, 2021).

Analysis of Comments Received

All the issues raised in the case and rebuttal briefs that were submitted by parties in this investigation are addressed in the Issues and Decision Memorandum. A list of the issues addressed in the Issues and Decision Memorandum is attached to this notice as Appendix II. The Issues and Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/index.html>.

Verification

Commerce was unable to conduct on-site verification of the information relied upon in making its final determination in this investigation. However, we took additional steps in lieu of an on-site verification to verify the information relied upon in making this final determination, in accordance with section 782(i) of the Tariff Act of 1930, as amended (the Act).⁶

Methodology

Commerce conducted this investigation in accordance with section 731 of the Act. Export price was calculated in accordance with section 772(a) of the Act. Constructed export price was calculated in accordance with section 772(b) of the Act. Because Vietnam is a non-market economy within the meaning of section 771(18) of the Act, normal value was calculated in accordance with section 773(c) of the Act. For a full description of the methodology underlying Commerce's determination, see the *Preliminary Determination* PDM and the Issues and Decision Memorandum.

Changes Since the Preliminary Determination

⁶ See Commerce's Letter, "Request for Documentation," dated January 26, 2021; Commerce's Letter, "Request for Documentation," dated January 28, 2021; Sailun's Letter, "Sailun Response to Commerce Verification Document Request," dated February 2, 2021; and Kenda's Letter, "Response to the Department's Request for Documentation in Lieu of On-Site Verification," dated February 4, 2021.

Based on our analysis of the comments received and our findings related to our request for information in lieu of on-site verification, we have made certain changes to the margin calculations. For a discussion of these changes, *see* the Issues and Decision Memorandum.

Vietnam-Wide Entity

For the final determination, we continue to find that the use of adverse facts available (AFA), pursuant to sections 776(a) and (b) of the Act, is warranted in determining the rate for the Vietnam-wide entity. In the *Preliminary Determination*, Commerce based the AFA rate for the Vietnam-wide entity on the petition margin of 22.30 percent.⁷ For this final determination, we continue to rely on AFA in determining the rate for the Vietnam-wide entity and, as AFA, we continue to select the highest petition margin of 22.30 percent as the estimated weighted-average dumping margin for the Vietnam-wide entity.⁸

Combination Rates

In the *Initiation Notice*,⁹ Commerce stated that it would calculate producer/exporter combination rates for the respondents that are eligible for a separate rate in this investigation. Policy Bulletin 05.1 describes this practice.¹⁰ In this investigation, we assigned producer/exporter combination rates for respondents eligible for separate rates and these combination rates are listed in the table in the “Final Determination” section of this notice.

Final Determination

The final estimated weighted-average dumping margins are as follows:

⁷ *See Preliminary Determination* PDM at 18.

⁸ For the corroboration of this margin, *see* Issues and Decision Memorandum at Comment 1.

⁹ *See Initiation Notice*, 85 FR at 38858.

¹⁰ *See* Enforcement and Compliance’s Policy Bulletin No. 05.1, regarding, “Separate-Rates Practice and Application of Combination Rates in Antidumping Investigations involving Non-Market Economy Countries,” April 5, 2005 (Policy Bulletin 05.1), available on Commerce’s website at <http://enforcement.trade.gov/policy/bull05-1.pdf>.

| Exporter | Producer | Estimated Weighted-Average Dumping Margin (percent) | Cash Deposit Rate (Adjusted for Subsidy Offset) (percent) |
|---|--|--|--|
| Kenda Rubber (Vietnam) Co. Ltd. | Kenda Rubber (Vietnam) Co. Ltd. | 0.00 | 0.00 |
| Sailun Group (HongKong) Co., Limited / Sailun Tire Americas Inc. | Sailun (Vietnam) Co., Ltd. | 0.00 | 0.00 |
| Bridgestone Corporation | Bridgestone Tire Manufacturing Vietnam LLC | 0.00 | 0.00 |
| Bridgestone Tire Manufacturing Vietnam LLC | Bridgestone Tire Manufacturing Vietnam LLC | 0.00 | 0.00 |
| Kumho Tire (Vietnam) Co., Ltd. | Kumho Tire (Vietnam) Co., Ltd. | 0.00 | 0.00 |
| The Yokohama Rubber Co., Ltd. | Yokohama Tyre Vietnam Co. | 0.00 | 0.00 |
| Vietnam-Wide Entity | | 22.30 | 22.27 |

Disclosure

We intend to disclose the calculations performed in this final determination within five days of its public announcement or, if there is no public announcement, within five days of the

date of publication of this notice to parties in this proceeding in accordance with 19 CFR 351.224(b).

Continuation of Suspension of Liquidation

In accordance with section 735(c)(1)(B) of the Act, Commerce will instruct U.S. Customs and Border Protection (CBP) to continue to suspend the liquidation of all appropriate entries of subject merchandise, as described in Appendix I of this notice, entered, or withdrawn from warehouse, for consumption on or after January 6, 2021, the date of publication in the *Federal Register* of the affirmative *Preliminary Determination*, except for those entries of subject merchandise produced and exported by Kenda and entries of subject merchandise produced by Sailun Vietnam and exported by Sailun Group (HongKong) Co., Limited or Sailun Tire Americas Inc. (collectively, Sailun).

Because the estimated weighted-average dumping margins for Kenda and Sailun in the above-specified producer/exporter combinations are zero, entries of shipments of subject merchandise from these producer/exporter combinations will not be subject to suspension of liquidation or cash deposit requirements. Accordingly, Commerce will direct CBP not to suspend liquidation of entries of subject merchandise produced and exported by Kenda, and produced by Sailun Vietnam and exported by Sailun Group (HongKong) Co., Limited or Sailun Tire Americas Inc. In accordance with section 735(a)(4) of the Act and 19 CFR 351.204(e)(1), should the investigation result in an antidumping duty (AD) order pursuant to section 736 of the Act, entries of shipments of subject merchandise from these producer/exporter combinations will be excluded from the order. However, entries of shipments of subject merchandise from these companies in any other producer/exporter combinations, or by third parties that sourced subject merchandise from the excluded producer/exporter combinations, will be subject to suspension of liquidation at the Vietnam-wide entity rate. Additionally, any exclusion will not apply to entries of shipments of subject merchandise from the other producer/exporter combinations listed in the table above that were assigned a weighted-average dumping margin of zero.

Pursuant to section 735(c)(1)(B)(ii) of the Act and 19 CFR 351.210(d), where appropriate, we will instruct CBP to require a cash deposit for entries of subject merchandise equal to the estimated weighted-average dumping margin as follows: (1) for the exporter/producer combinations listed in the table above, except those specified for Kenda and Sailun Vietnam/Sailun Group (HongKong) Co., Limited/Sailun Tire Americas Inc., the cash deposit rate is equal to the estimated weighted-average dumping margin listed for that combination in the table; (2) for all combinations of Vietnamese exporters/producers not listed in the above table, the cash deposit rate is equal to the estimated weighted-average dumping margin listed in the table for the Vietnam-wide entity; and (3) for all non-Vietnamese exporters not listed in the table above, the cash deposit rate applicable to the Vietnamese exporter/producer combination (or the Vietnam-wide entity) that supplied that non-Vietnamese exporter.

Commerce normally adjusts cash deposits for estimated antidumping duties by the amount of domestic subsidy pass-through and export subsidies countervailed in a companion countervailing duty (CVD) proceeding when CVD provisional measures are in effect. Accordingly, where Commerce made an affirmative determination for domestic subsidy pass-through or export subsidies, Commerce has offset the estimated weighted-average dumping margins by the appropriate rates.¹¹ However, provisional measures are no longer in effect in the companion CVD case. Therefore, we are not instructing CBP to collect cash deposits based upon the estimated the estimated weighted-average dumping margins adjusted for domestic subsidy pass-through or export subsidies at this time.

International Trade Commission Notification

In accordance with section 735(d) of the Act, we will notify the International Trade Commission (ITC) of the final affirmative determination of sales at LTFV. Because Commerce's final determination is affirmative, in accordance with section 735(b)(2) of the Act,

¹¹ See Issues and Decision Memorandum; *see also* Memorandum, "Calculation of Double Remedies and Export Subsidy Offset," dated December 29, 2020.

the ITC will make its final determination as to whether the domestic industry in the United States is materially injured, or threatened with material injury, by reason of imports or sales (or the likelihood of sales) for importation of passenger tires no later than 45 days after this final determination. If the ITC determines that such injury does not exist, this proceeding will be terminated, and all cash deposits posted will be refunded and suspension of liquidation will be lifted. If the ITC determines that such injury does exist, Commerce will issue an AD order directing CBP to assess, upon further instruction by Commerce, antidumping duties on all imports of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the effective date of the suspension of liquidation, as discussed above in the “Continuation of Suspension of Liquidation” section.

Notification Regarding Administrative Protective Orders

This notice will serve as a final reminder to the parties subject to administrative protective order (APO) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of return or destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

Notification to Interested Parties

This determination and this notice are issued and published in accordance with sections 735(d) and 777(i)(1) of the Act, and 19 CFR 351.210(c).

Dated: May 21, 2021.

Christian Marsh,
Acting Assistant Secretary for Enforcement and Compliance.

Appendix I

Scope of the Investigation

The scope of this investigation is passenger vehicle and light truck tires. Passenger vehicle and light truck tires are new pneumatic tires, of rubber, with a passenger vehicle or light truck size designation. Tires covered by this investigation may be tube-type, tubeless, radial, or non-radial, and they may be intended for sale to original equipment manufacturers or the replacement market.

Subject tires have, at the time of importation, the symbol “DOT” on the sidewall, certifying that the tire conforms to applicable motor vehicle safety standards. Subject tires may also have the following prefixes or suffix in their tire size designation, which also appears on the sidewall of the tire:

Prefix designations:

P – Identifies a tire intended primarily for service on passenger cars.

LT – Identifies a tire intended primarily for service on light trucks.

Suffix letter designations:

LT – Identifies light truck tires for service on trucks, buses, trailers, and multipurpose passenger vehicles used in nominal highway service.

All tires with a “P” or “LT” prefix, and all tires with an “LT” suffix in their sidewall markings are covered by this investigation regardless of their intended use.

In addition, all tires that lack a “P” or “LT” prefix or suffix in their sidewall markings, as well as all tires that include any other prefix or suffix in their sidewall markings, are included in the scope, regardless of their intended use, as long as the tire is of a size that fits passenger cars or light trucks. Sizes that fit passenger cars and light trucks include, but are not limited to, the numerical size designations listed in the passenger car section or light truck section of the Tire and Rim Association Year Book, as updated annually. The scope includes all tires that are of a size that fits passenger cars or light trucks, unless the tire falls within one of the specific exclusions set out below.

Passenger vehicle and light truck tires, whether or not attached to wheels or rims, are included in the scope. However, if a subject tire is imported attached to a wheel or rim, only the tire is covered by the scope.

Specifically excluded from the scope are the following types of tires:

- (1) Racing car tires; such tires do not bear the symbol “DOT” on the sidewall and may be marked with “ZR” in size designation;
- (2) pneumatic tires, of rubber, that are not new, including recycled and retreaded tires;
- (3) non-pneumatic tires, such as solid rubber tires;
- (4) tires designed and marketed exclusively as temporary use spare tires for passenger vehicles

which, in addition, exhibit each of the following physical characteristics:

- (a) The size designation and load index combination molded on the tire's sidewall are listed in Table PCT-1R ("T" Type Spare Tires for Temporary Use on Passenger Vehicles) or PCT-1B ("T" Type Diagonal (Bias) Spare Tires for Temporary Use on Passenger Vehicles) of the Tire and Rim Association Year Book,
 - (b) the designation "T" is molded into the tire's sidewall as part of the size designation, and,
 - (c) the tire's speed rating is molded on the sidewall, indicating the rated speed in MPH or a letter rating as listed by Tire and Rim Association Year Book, and the rated speed is 81 MPH or a "M" rating;
- (5) tires designed and marketed exclusively as temporary use spare tires for light trucks which, in addition, exhibit each of the following physical characteristics:
- (a) the tires have a 265/70R17, 255/80R17, 265/70R16, 245/70R17, 245/75R17, 245/70R18, or 265/70R18 size designation;
 - (b) "Temporary Use Only" or "Spare" is molded into the tire's sidewall;
 - (c) the tread depth of the tire is no greater than 6.2 mm; and
 - (d) Uniform Tire Quality Grade Standards ("UTQG") ratings are not molded into the tire's sidewall with the exception of 265/70R17 and 255/80R17 which may have UTQG molded on the tire sidewall;
- (6) tires designed and marketed exclusively for specialty tire (ST) use which, in addition, exhibit each of the following conditions:
- (a) The size designation molded on the tire's sidewall is listed in the ST sections of the Tire and Rim Association Year Book,
 - (b) the designation "ST" is molded into the tire's sidewall as part of the size designation,
 - (c) the tire incorporates a warning, prominently molded on the sidewall, that the tire is "For Trailer Service Only" or "For Trailer Use Only",
 - (d) the load index molded on the tire's sidewall meets or exceeds those load indexes listed in the Tire and Rim Association Year Book for the relevant ST tire size, and
 - (e) either
 - (i) the tire's speed rating is molded on the sidewall, indicating the rated speed in MPH or a letter rating as listed by Tire and Rim Association Year Book, and the rated speed does not exceed 81 MPH or an "M" rating; or
 - (ii) the tire's speed rating molded on the sidewall is 87 MPH or an "N" rating, and in either case the tire's maximum pressure and maximum load limit are molded on the sidewall and either
 - (1) both exceed the maximum pressure and maximum load limit for any tire of the

same size designation in either the passenger car or light truck section of the Tire and Rim Association Year Book; or

- (2) if the maximum cold inflation pressure molded on the tire is less than any cold inflation pressure listed for that size designation in either the passenger car or light truck section of the Tire and Rim Association Year Book, the maximum load limit molded on the tire is higher than the maximum load limit listed at that cold inflation pressure for that size designation in either the passenger car or light truck section of the Tire and Rim Association Year Book;
- (7) tires designed and marketed exclusively for off-road use and which, in addition, exhibit each of the following physical characteristics:
- (a) The size designation and load index combination molded on the tire's sidewall are listed in the off-the-road, agricultural, industrial or ATV section of the Tire and Rim Association Year Book,
 - (b) in addition to any size designation markings, the tire incorporates a warning, prominently molded on the sidewall, that the tire is "Not For Highway Service" or "Not for Highway Use",
 - (c) the tire's speed rating is molded on the sidewall, indicating the rated speed in MPH or a letter rating as listed by the Tire and Rim Association Year Book, and the rated speed does not exceed 55 MPH or a "G" rating, and
 - (d) the tire features a recognizable off-road tread design;
- (8) Tires designed and marketed for off-road use as all-terrain-vehicle (ATV) tires or utility-terrain-vehicle (UTV) tires, and which, in addition, exhibit each of the following characteristics:
- (a) the tire's speed rating is molded on the sidewall, indicating the rated speed in MPH or a letter rating as listed by the Tire and Rim Association Year Book, and the rated speed does not exceed 87 MPH or an "N" rating, and
 - (b) both of the following physical characteristics are satisfied:
 - (i) The size designation and load index combination molded on the tire's sidewall does not match any of those listed in the passenger car or light truck sections of the Tire and Rim Association Year Book, and
 - (ii) The size designation and load index combination molded on the tire's sidewall matches any of the following size designation (American standard or metric) and load index combinations:

| American Standard Size | Metric Size | Load Index |
|------------------------|-------------|------------|
| 26x10R12 | 254/70R/12 | 72 |
| 27x10R14 | 254/65R/14 | 73 |
| 28x10R14 | 254/70R/14 | 75 |
| 28x10R14 | 254/70R/14 | 86 |
| 30X10R14 | 254/80R/14 | 79 |
| 30x10R15 | 254/75R/15 | 78 |

| | | |
|------------|-------------|----|
| 30x10R14 | 254/80R/14 | 90 |
| 31x10R14 | 254/85R/14 | 81 |
| 32x10R14 | 254/90R/14 | 95 |
| 32x10R15 | 254/85R/15 | 83 |
| 32x10R15 | 254/85R/15 | 94 |
| 33x10R15 | 254/90R/15 | 86 |
| 33x10R15 | 254/90R/15 | 95 |
| 35x9.50R15 | 241/105R/15 | 82 |
| 35x10R15 | 254/100R/15 | 97 |

The products covered by this investigation are currently classified under the following Harmonized Tariff Schedule of the United States (HTSUS) subheadings: 4011.10.10.10, 4011.10.10.20, 4011.10.10.30, 4011.10.10.40, 4011.10.10.50, 4011.10.10.60, 4011.10.10.70, 4011.10.50.00, 4011.20.10.05, and 4011.20.50.10. Tires meeting the scope description may also enter under the following HTSUS subheadings: 4011.90.10.10, 4011.90.10.50, 4011.90.20.10, 4011.90.20.50, 4011.90.80.10, 4011.90.80.50, 8708.70.45.30, 8708.70.45.46, 8708.70.45.48, 8708.70.45.60, 8708.70.60.30, 8708.70.60.45, and 8708.70.60.60. While HTSUS subheadings are provided for convenience and for customs purposes, the written description of the subject merchandise is dispositive.

Appendix II

List of Topics Discussed in the Issues and Decision Memorandum

- I. Summary
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- III. Scope of the Investigation
- IV. Changes Since the *Preliminary Determination*
- V. Adjustment under Section 777A(f) of the Act
- VI. Adjustments to Cash Deposit Rates for Export Subsidies
- VII. Discussion of the Issues
 - Comment 1: Appropriate Adverse Facts Available (AFA) Rate for the Vietnam-Wide Entity
 - Comment 2: Selecting Kumho Tire (Vietnam) Co., Ltd. (KTV) as a Voluntary Respondent
 - Comment 3: KTV's Request to Be Excluded from the Order
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 - Comment 5: Whether Sailun's Rate Should Be Based on AFA
 - Comment 6: Classification of U.S. Sales as Export Price (EP) or Constructed Export Price (CEP)
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- VIII. Recommendation